HIPAA Transactions and Code Sets

November, 2004

TCS Compliance for Covered Entities

- CE Health Plans are required to be able to conduct all of the HIPAA transactions if requested to do so by another CE

- Providers can continue to use paper unless required to do so by the CE Health Plan

- Providers who send any electronic data related to a named transaction must use the standard transactions.

Compliance Requirements Based on Two Issues

- The definition of the business purpose for the transaction; **and**

- The covered entity status of the trading partners.

For Example:

- The 835 Health Care Payment and Remittance Advice transaction is:
  - Transmission of any of the following from a **health plan** to a **health care provider's** financial institution:
    - **Payment**, information about the transfer of **funds**, payment **processing** information
  - The transmission of either of the following from a **health plan** to a **health care provider**:
    - Explanation of benefits
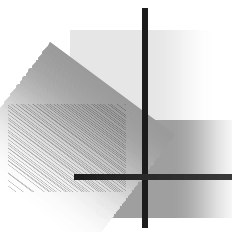   - Remittance Advice

Challenges of TCS

- Rules will name new versions of transactions in a piecemeal fashion
- New transactions will be coming out over time
- Code sets internal and external to transactions will be changing with irregular frequency

Challenges (cont.)

- Identifiers for providers and health plans will be important but not clearly detailed at this time

- Systems to manage TCS must be adaptable and scalable to handle the work of the covered entity.

What's in a Transaction?

- The transaction number, name, and version (837P, Health Care Claim and Encounter, version 4010A1)
  - Loops relating to provider, payer, patient, and procedure
    - Data segments, such as "patient demographics"
      - Data elements, such as gender

Mapping Data

1. List all your data elements in use
2. Decide which ones you need to send or receive in each transaction
3. Match them up and note requirements (field length, data type, etc.)
4. Compare each element from old to new
5. List the gaps
6. Analyze the impacts

Required vs. Situational

- Some data is **ALWAYS** required. The transaction will be rejected if not submitted
- Some data is related to specific situations
  - If the situation occurs, the data is **required**
  - If the situation does not occur, the data should not be sent
- Working through all the data and all the code sets is a **BIG** job.
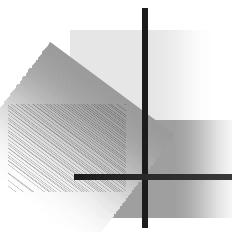
Compliance Plans

- Draft compliance plans are available from Cal OHI and AHIMA
- Learn what your trading partners expect
- Use companion guides for transaction expectations
  - Remember that the trading partner agreement cannot:
    - Change the definition or use of data
    - Add data elements
    - Use 'not used' data elements
    - Change the meaning of the standard's implementation specifications
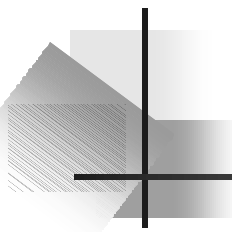
What's in a Compliance Plan?

- A compliance team with a team lead to serve as a contact person
- Determine your compliance approach
  - Internal system – reprogrammed
  - Contracting with a vendor for a compliant system
  - Using a clearinghouse to create and receive transactions in the standard format

Plan (cont.)

- Identify how you and your subcontractor will approach compliance – define the steps
- Develop a milestone schedule leading to testing and final certification
  - Internal testing – technical
  - Functional testing – do the parts make a whole
  - Full file testing – Does the test claim file get through the system the same way
  - Parallel production – Sending paper with EDI or old format with EDI for a time.

Plan (cont.)

- Determine the barriers and work with your trading partners to iron out the issues
- Get moving – you can be paralyzed by the size of the issue, but can get there one step at a time.

Why Comply?

- Huge advantages by becoming automated
  - More timely payment
  - Much more accurate
  - Fewer labor costs to produce or process transactions
  - You can spend your time doing good patient care

Why Comply? (cont.)

- Disadvantages to non-compliance
    - ADP may not process your claims
    - ADP may refuse to contract for DMC services
    - The net negotiated amount funding my be withheld
    - Federal penalties may also result
        - Monetary penalties
        - Possible jail time

Summary

- Get started – lots of work to do
- Develop a plan
- Communicate with trading partners
- Recognize the benefits
- Work out the bugs – together with ADP
- Test, test, test
- Congratulations, you are HIPAA compliant!

Questions?